Statement II—Contd.

State/UT	Hpt	Rpt	Vlpt	Transposer
A & N ISLANDS :			GREAT NICOBAR HAVELOCK KATCHAL BARATANG	
DADRA & NAGAR HAVELI :		SILVASSA		
DELHI :	DELHI (DD III)			

* REPLACEMENT OF 1 KW TRANSMITTER BY 10 KW TRANSMITTER.

LEGEND : HPT—HIGH POWER TRANSMITTER
LPT—LOW POWER TRANSMITTER
VLPT—VERY LOW POWER TRANSMITTER

Less Cost of Power Produced by Plants Turned out by BHEL

2120. SHRI ASHOK MITRA : Will the Minister of POWER be pleased to state :

(a) whether it is an established fact that power plants turned out by BHEL can produce power at a per unit cost which is less than in the case of foreign manufactured power plants ; and

(b) whether Government would be willing to consider giving the same guarantees and counter-guarantee to BHEL as it has expressed its intention to give multinational corporations for payments on behalf of State Electricity Boards?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYA NAIDU) : (a) The cost of generation of power from a power plant depends on the total cost of the power project. Cost of equipment is only one component of the total project cost. As such it would be difficult to judge whether cost of generation from a project using BHEL equipment is more or less than a project using foreign manufactured equipment.

(b) To instill confidence about private power policy amongst the perspective investors it was decided to extend Government of India counter guarantee for State gurantee for SEBs/payment obligations for power purchased to the private generating compaines in case of 8 initial projects This was only a transitional measure.

Disparity in Cost Estimates of Power Projects

2121. SHRI KRISHAN LAL SHARMA : Will the Minister of POWER be pleased to state :

(a) whether it is a fact that there is always disparity between the cost estimates of the Ministry and Central Electricity Authority for the same projects;

(b) if so, the reasons for such disparity;

(c) percentge of disparity between the two estimates; and

(d) whether Government propose to bring about reconciliation between the two?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU) : (a) No, Sir.

(b) to (d) Do not arise.

Management of ACC Babcock Ltd.

2122. DR. MURLI MANOHAR JOSHI : SHRI TRILOKI NATH CHATURVEDI :

Will the Minister of POWER be pleased to state :

(a) whether it is a fact that Government propose to pass on the management of ACC Babcock Limited to other hands if so, whether any decision has been taken in this regard and if not, by when this is likely to be done;

(b) what has been the financial working of the ABL during the last four years and number of workers employed by the Company; and

(c) whether the workers have also been consulted on the proposals for the revival and sustenance of the Company, and if so, in what manner?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU) : (a) ACC-Babcock Limited (ABL) a private sector company, had filed winding up petition before the Bombay High Court in October,

1986. It resumed operations in June, 1988 under an Industrial Development Bank of India (IDBI)/Board for Industrial and financial Reconstruction (BIFR) package approved by Government of India. As per this package ABL was placed under the administrative control of the Ministry of Power. As the revival of the company on a sustainable basis did not appear possible without further private investment, the Government of India accepted the recommendations of the IDBL, the operating agency for ABL, for inviting investment in ABL from private compaines. IDBI forwarded the offer received by them to the BIFR on the basis of which BIFR has approved a draft scheme. The draft scheme has been sent for publication and to all the parties concerned:

(b) The Financial working of ABL during the last 4 years is as follows:—

Year	Turnover	Profit (Loss)	Accum. Losses
	Rs. Cr.	Rs. Cr.	Rs. Cr.
190-91 .	81.96	(12.95)	115.55
1991-92 .	92.28	(14.97)	130.36
1992-93 .	131.34	2.05	127.89
1993-94 .	203.11	10.13	109.09

(*includes Rs. 7.6 Cr. of interest charged to previous years written back)

(c) Yes, Sir. Informal consultations between the management and the representatives of the recognised Trade Unions of Workmen were held regularly on revival proposals. Further, the representatives of the Recognised Unions of the Units/offices were invited to attend the meeting conducted by IDBI on 22nd May, 1994, to consider the present investment proposal in ABL. In this meeting, the Recoginsed Unions' representatives confirmed their agreement to the current proposal for additional investment. Subsequently, when the BIFR Bench took up this matter for consideration in its meeting/hearing on 6-6-1994 and 12-10-1994, a representatives from each of the Registered Trade Unions from all Units/offices were invited and they also confirmed their support and agreement to the proposed additional investment in ABL.

Power Projects by NRIs

2123. SHRI SANJAY DALMIA: Will the Minister of POWER be pleased to state:

(a) what is the basis of selecting NRI promoters for power projects;

(b) whether those Indians who stay out of India for six months in a year also qualify to acquire NRI status as per RBI guidelines are also eligible to apply for NRI, projects;

(c) whether it is a fact that it is necessary for NRIs to have experience in power generation; and

(d) if so, what are the reasons that some of the NRIs without any such experience in power generation have been awarded these major projects?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) to (d) In the context of paucity of resources with Central/State PSUs and SEBs and to bridge the gap between the rapidly growing demand for electricity and supply, a policy to encourage greater invetments by private enterprises in the power sector with the objective of mobilising additional resources for capacity addition in power generation and distribution had been formulated in 1991 and is currently under implementation. The policy permits both the Indian as well as the foreign including NRI investors to set up power projects. In line with the policy various State Governments have entrusted execution of a number of power projects to Indian as well as foreign promoters (incuding NRI and joint venture proposals). All the promoters Indian as well as foreign including NRIs who are not active in power sector earlier and presently active in setting up of power projects in private sector are tying up joint ventures with suitable power companies for execution of their projects.

Investment Promotion Cell for Private Sector Participation in Power Generation

2124. SHRI GOPALSINH G. SOLANKI: Will the Minister of POWER be pleased to state:

(a) whether the Union Government have any proposal to set-up an Investment Promotion Cell in order to ensure the involvement of private sector in the field of power generation and distribution; if so the details thereof; and

(b) the details of Indian and foreign power companies likely to be included in the list of investors?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) To assist the prospective promoters in crystalising their proposal for setting up of power projects in private sector an Investment Promotion Cell has been created in the Ministry of Power in 1991.

(b) The details of Indian as well as foreign private companies which are at present active for investing in various power projects are given in the Annexure [See Appendix 172, Annexure No. 49]